

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

Mr. Stan Rosenstein, Deputy Director
Medical Care Services
Department of Health Services
714 P Street - Room 1253
Sacramento, CA 95814

SEP 09 2005

RE: California 05-005

Dear Mr. Rosenstein:

We have reviewed the proposed amendment to Attachment 4.19-D of your State Medicaid plan submitted under transmittal number (TN) 05-005. Effective for services provided on or after August 1, 2005, this amendment revises the reimbursement methodology for freestanding nursing facilities - Level B and sub-acute care units of freestanding skilled nursing facilities. This amendment proposes a facility specific rate methodology for the subject providers.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-D. Based upon the assurances provided, we are pleased to inform you that Medicaid State plan amendment 05-005 is approved effective August 1, 2005.

We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Venesa Johnson, 410-786-8281.

Sincerely,


✓ Dennis G. Smith
Director

Enclosures